



Judy Chu, Ph.D.
Vice Chair • California State Board of Equalization
The Nation's Only Elected Statewide Constitutional Tax Authority
Fourth District – Los Angeles



e – NEWSLETTER

Serving over 8.5 million people and 73 cities in Los Angeles County

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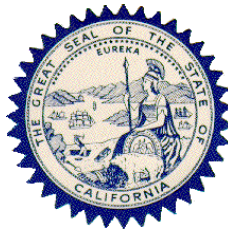
Seminar for First Time Women Entrepreneurs

Dear Friend:

Welcome to the fourth issue of my E-Newsletter! I am pleased to share updates with you on some of my work in Sacramento and in the Fourth District throughout Los Angeles County.

Please visit my [website](#) for more information about upcoming events, important news relating to the Board of Equalization, and to view my photo gallery. As always, please do not hesitate to contact me at Judy.Chu@boe.ca.gov if I can be of assistance to you.

Sincerely,



JUDY CHU, Ph.D.
Vice Chair,
California State Board of Equalization



The room at the Loyola Marymount University campus was “packed to the rafters” according to the people who helped set up the BOE’s seminar for women as first time entrepreneurs. Board Member Chu was happy to see the turnout and took time to talk with many of the women who attended the November 7th event. Attendees listened to lectures and received excellent advice on the challenges of starting a business in California.

Why advice? Sadly, women’s earnings still lag far behind men; earning only 77% of what men earn in comparable work. Researchers show that at the present rate of progress, it will take 50 years to close the wage gap between men and women.

Yet, changes in society have led to a dramatic increase in the entry of women in the business arena. Every day, 420 women go out and start their own businesses—twice the rate of men. In fact almost half of private businesses in the US are women-owned and these generating over \$2.5 trillion in sales.

Women in California are even more proactive, making this state #1 in the number of private women owned businesses, employment, and sales. But many of the same preconceived notions and prejudices women endure in the working world apply when they start their own businesses, with over 25% of women business owners reporting a lack of credibility and respect from their suppliers and business associates.

The purpose of this workshop was to give women a boost, so that they can be successful in starting their businesses. No wonder the room was packed to the rafters!!

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The “Underground Economy”

Have you heard of businesses that hire “off the books” or don’t pay withholding taxes, or have unsafe working conditions? There’s a good chance that these businesses may be part of the “underground economy.” Businesses operating in the underground economy present unfair challenges to legitimate business, and can jeopardize worker health and safety. What the underground economy implies for this region is a loss of revenue to cities, county and the state, and further crowding out of job opportunities. As of March 31, 2007 BOE staff have conducted 32,443 inspections, identified sales and use tax noncompliance at 1,402 locations – or 4.32 percent, and identified 6,784 improper registrations.

Board Member Chu has sponsored two inter-agency meetings since July of this year on the underground economy. The meetings are permitting state agencies to discuss the resources at their disposal for inspection and for responding to reports from whistle blowers and concerned Californians. Los Angeles accounts for a significant share of unregistered employment in the state.



On October 30 Board Member Chu presided over the inter-agency meeting that was organized with interested parties, organized labor, and local and state government. The event was hosted by the **Association for Los Angeles County Deputy Sheriffs**.

Judy further explained how “the State’s main website should provide a portal on *Taxes* that allows businesses and taxpayers to easily point and click their way through screens that explain how to obtain all required tax permits and to check the status of their accounts with the state. To report fraud to the Employment Development Dept. online you can go to this site:

<https://eapply4ui.edd.ca.gov/eddcmm/frmFraudStart.htm>

Small Business Seminars

Small businesses are a crucial and dynamic component of the Los Angeles area’s economy. The 4th District has hosted several small business events since the end of the summer. These have been general small business seminars as well as targeted seminars for businesses with special language needs. The latter have been sponsored

by the BOE along with the leadership of the **Taiwan Center**, the **Korean American Chamber of Commerce** and the **Asian Small Business Expo**. Most of these are aimed at addressing questions from people starting or continuing a small business. BOE Field Office personnel have been available to answer questions and provide materials.

The most common issue for many small retailers is the issue of when and where to charge sales taxes or use taxes when merchandise is shipped into or out of California and transactions are handled on the Internet. See: <http://www.boe.ca.gov/pdf/pub112.pdf>

EXPO 07 in L.A.



The thriving Asian small business community held its annual Expo this year with the co-sponsorship of the Vice Chair of the State Board of Equalization, Judy Chu. The event took place in L.A.’s Omni Hotel and lasted a whole day. Immigrant businesses contribute a great deal of retail opportunities and services to newly arrived residents of the 4th District. But the event was open to all and many non-Asian business owners attended. Dr. Chu was the keynote speaker at the luncheon during the Expo.

Armenian Television

Board Member Judy Chu represents the largest community of Armenians outside Armenia today! The Armenian community in the Los Angeles area is the largest in the United States and Board Member Chu was given the opportunity to address this community when she was interviewed on Armenian Television in Glendale last month. The informal format used on **Armond Aghakhanian’s** regularly scheduled show allowed Armond to interpret Judy Chu’s words into Armenian “live” for the local viewers.



Judy Chu in the San Fernando Valley



A welcome reception for Judy Chu, center, was hosted recently at the **Economic Alliance** in honor of her being elected as Vice-Chair, California State Board of Equalization. Here, Alliance officers **Bruce Ackerman**, president and CEO, and **David Fleming**, chairman, share in the celebration. Dr. Chu met with San Fernando Valley Business leaders in an informal setting to discuss ways of partnering with the business community to facilitate access by the State Board of Equalization services to their constituencies. Recently the Board Member sponsored a small business seminar for new entrepreneurs with the **Valley Economic Development Center, VEDEC**. The San Fernando Valley is a growing priority for Vice-Chair Judy Chu.

"Alcopops"



They go by names *Mike's Hard Lemonade*, *Smirnoff Ice* and *Rock Star 21*. What are they? They are the latest marketing technique from the alcohol industry to reach new markets. Some say it is to reach teens as new drinkers. Judy Chu has been concerned with the way in which the alcoholic beverage industry has promoted new products which are sold in ways attractive to minors. In a recent Op-Ed piece Dr. Chu commented "Some people don't understand why a taxation agency, the California State Board of Equalization, would address the issue of underage drinking. Some say it should be left for law enforcement, schools and, more importantly, parents. Yet it's rather simple. If a government agency can change policy that potentially will save thousands of lives, then it makes sense to do just that..."

Their classification as a beer has been the issue that brought attention to the beverages that youth call *alcopops*. For years, opponents have argued that *alcopops* are designed and marketed to be a "gateway" drink that attracts young Californians who otherwise might

not consume alcohol. Substantially higher taxes could discourage underage drinking, they contend. "In California, *alcopops* are sold at gas stations, convenience stores and other locations where they are easy for young people to get.

On November 15, Judy Chu joined with the Board majority in a 3-2 vote to reclassify *alcopops* from beer to distilled liquor. Thus, the tax will change from the beer rate, 20 cents per gallon to the liquor rate, \$3.30 per gallon. Dr. Chu said, "This vote clarifies an ambiguous area of tax regulation. It will also send a signal that these deceptive drinks are hard liquor because the drinks will have costs that are similar to hard liquor."

Alcohol remains a far bigger threat to young people than all illegal drugs combined. It's a major contributing factor in the four leading causes of death for young people: traffic crashes, unintentional injuries, homicide and suicide. This will help parents and consumers know that these pop drinks are actually made with distilled spirits.

Lead Abatement



Lead in toys? Lead in paint? Lead in books? It seems that lead is everywhere it shouldn't be! Interviewed by **Tracy Young** on "Local Edition" on Comcast Cable (CNN channel) Dr. Chu explained that lead abatement is one of those areas where BOE policy plays a constructive role. The biggest source of lead for children is in the paint of old houses. Speaking to Tracy Young, Dr. Chu said "My concern about lead poisoning in children stems from my work at the Board of Equalization hearing tax appeals brought by oil companies and paint companies who have refused to pay environmental fees assessed to remediate the health problems in children caused by the lead in their products." Lead is associated with learning disabilities and a range of other conditions if children and young people ingest it over a period of time.

Domestic Partners

A recent California Appeals Court decision upheld a provision that protects registered domestic partners from property tax re-appraisal when one partner dies or transfers the property. The court's interpretation of the legislation that protects California's families from increased property taxes extends to "guarantee equality for all Californians, regardless of gender or sexual orientation, and to further the state's interests in protecting Californians from the potentially severe economic and social consequences of abandonment, separation, the death of a partner, and other life crises."

In 2008 domestic partners will be able to file joint returns in California and enjoy the same relief from property tax increases as the rest of the state. Judy Chu voiced her concern that County Assessors are going to the BOE to unravel the current ability that non-registered domestic partners have to transfer property to their partner without triggering a reassessment. "I will make sure that does not happen. I just want a California to be a state that is fair to every one of its residents, without exception."

APAIT - Asian Pacific AIDS Intervention Team



Wells Fargo Bank and BOE Vice-Chair Judy Chu presented the Corporate Leadership Awards at the 20th Anniversary Gala dinner for the APAIT at the Henry Fonda Theatre in Hollywood October 14. The APAIT has been working in the Los Angeles region educating the Asian Pacific Islander community on LGBT issues and encouraging HIV testing as well as drug use awareness. Over ten important elected officials commended the organization for its work. In this photo Judy Chu appears with Wells Fargo Vice-President of Community Development **Jerry Ruiz**, APAIT's Board Member **John Wirfs**, and HBO's Entourage "**Rex Lee**." For more information on APAIT's work see:

<http://www.apaitonline.org/>

Sierra Mar District of Business and Professional Women - Fall Conference

Judy Chu was asked to give a keynote address to the Fall Conference of the Sierra Mar District of the Business and Professional Women which met October 20 in Monterey Park. Dr. Chu addressed a wide range of legislative issues that affect women in particular. The Vice-Chair would like to once again extend her condolences on the passing away of the organization's president, **Marcia Scuka**. Marcia fought a long battle with breast cancer and we are all reminded as this newsletter is posted that October was National Breast Cancer Awareness Month.

Interfaith Panel at I.M.A.N. Center



On October 7th Vice Chair Judy Chu participated in an Interfaith Panel Discussion hosted by the Los Angeles IMAN Center (Iranian Muslim Association of North America). Dr. Chu presented **Dr. Sadeh Namazikhah** with a Board of Equalization Resolution congratulating the efforts of the Islamic Center to reach out to other faith communities and to foster understanding and dialogue as a way to reduce bigotry and hate. Judy Chu has an exemplary record in opposing hate crimes and legislating to protect people typically targeted by hate groups.

Notes & Upcoming Events

- **Open House Holiday Tea December 5th from 5:30 pm – 7:30 pm** at the District Office, 1100 Corporate Center Drive, Suite 203, Monterey Park, CA 91754 tel. 323.980.1221
- **IRS Announces New Chinese, Korean, Russian and Vietnamese Tax Glossaries to Assist Taxpayers**

WASHINGTON — Nov. 2, 2007...These new glossaries of tax terminology will help meet increased demand for tax-related resources in languages such as Chinese, Korean, Russian and Vietnamese. The new publications are:

Publication 850 (EN/CN-S), English-Chinese (Simplified) Glossary of Words and Phrases

Publication 850 (EN/CN-T), English-Chinese (Traditional) Glossary of Words and Phrases

Publication 850 (EN/KR), English-Korean Glossary of Words and Phrases

Publication 850 (EN/RU), English-Russian Glossary of Words and Phrases

Publication 850 (EN/VN), English-Vietnamese Glossary of Words and Phrases

See: <http://www.irs.gov/newsroom/article/0,,id=175387,00.html>